IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

ARBITRATION PETITION NO.271 OF 2005

Pravin M. Nanavati. ... Petitioner.

vs.

B.Arun Kumar Capital and Credit Services Pvt. Ltd. and others. ...Respondents

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Mr.B.B.Saraf i/b. M/s.Khaitan & Jayakar, for Petitioner.

Dr.V.V.Tulzapurkar with S.Shetye i/b. DSK Legal, for Respondent no.1.

CORAM: D.K.DESHMUKH,J.

DATED: 21st March,, 2006

P.C.:-

1. By this petition filed under Section 34 of the Arbitration and Conciliation Act,1996, the petitioner challenges the Award made by the sole Arbitrator. The challenge to the Award is that the learned Arbitrator has not given any reasons for making the Award. It is submitted that the Award based on no reasons is nullity at law. It is submitted that the Award which does not disclose any reasons is the Award contrary to the Law. It is also stated that the Arbitrator was

biased, and therefore, he could not have made the Award. It is also submitted that the directions contained in paragraph 28(c) of the Award of payment of Rs.2,50,000/- per month, on failure of the petitioner in handing over possession of the property on or before 31st May,2005, could not have been made because it was not a relief claimed by the claimant before the learned Arbitrator. If the Award does not disclose any reason, it is said to be contrary to the provisions of Section 31(3) of the Arbitration and Conciliation Act. But such ground has to be raised in the petition challenging the Award on that ground. Admittedly no such ground is raised in the petition. The validity of the Award can be judged by the Court only in relation to and in the light of the grounds which have been raised in the petition. As the petitioner has not challenged the Award on the ground that it does not disclose any reasons, in my opinion, the Court cannot set aside the Award on that ground. In any case it is not disputed by the petitioner that he had entered into the agreement on which the Award is based. The petitioner does not dispute that he had received the money. He does not dispute that he has not repaid the money. The Award principally is for repayment of money with interest at the rate which was agreed. Therefore, so far as the principal part of the Award is concerned, there can be no challenge to it because the basic positions which are necessary for making the Award are admitted. So far as the directions contained in paragraph 28(c) are concerned, it is true that

there is no claim made in the statement of claim and therefore, the learned Counsel for Claimant-respondent conceded for setting aside that part of the Award. In the result therefore, the directions contained in paragraph 28 (c) of the Award regarding payment of sum of Rs.2,50,000/- per month for delay, on failure of the petitioner in handing over possession of the property on or before 31.5.2005, is set aside with the consent of the learned Counsel appearing for Respondent no.1. The rest of the Award is maintained. The petition is disposed of. No order as to costs.